

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS BRASILIA 002938

SIPDIS

SENSITIVE

NSC FOR MIKE DEMPSEY
DEPT OF TREASURY FOR OFAC

E.O. 12958: N/A

TAGS: [ETTC](#) [PREL](#) [BR](#)

SUBJECT: CUBA: SUSPENSION OF TITLE III OF THE LIBERTAD ACT

REF: SECSTATE 248337

11. (SBU) THE TEXT BELOW IS BEING SENT IN RESPONSE TO REFTTEL TASKING.

12. (SBU) BRAZIL ENJOYS CLOSE RELATIONS WITH CUBA AND IS RELUCTANT TO CRITICIZE PUBLICLY THE HUMAN RIGHTS POLICIES OF THE CASTRO REGIME, ALTHOUGH BEHIND THE SCENES THE BRAZILIAN GOVERNMENT IS OFTEN CRITICAL OF BOTH CUBA'S LACK OF DEMOCRATIC PROCESS AND HUMAN RIGHTS VIOLATIONS. SENIOR LEADERS IN THE LULA ADMINISTRATION AND THE PT (I.E., THE PRESIDENT'S PARTY) HAVE PERSONAL TIES TO CUBA DATING BACK TO MILITARY RULE IN BRAZIL. DURING THAT PERIOD, MANY HAD SOUGHT REFUGE IN CUBA, AND TODAY THOSE SAME INDIVIDUALS ARE SENSITIVE NOT TO BITE THE HAND THAT SHELTERED THEM. BRAZIL CONSISTENTLY ABSTAINS ON UN RESOLUTIONS CRITICAL OF CUBA'S POLICIES. BRAZILIAN NGOS AND PARTICULARLY BRAZILIAN JOURNALISTS TEND TO BE LESS RETICENT THAN THE BRAZILIAN GOVERNMENT IN CRITICIZING CASTRO AND CUBA'S OVERALL TREATMENT OF OPPONENTS TO THE REGIME. IN EARLY 2004, THE BRAZILIAN PRESS ATTACKED THE GOB'S FAILURE TO CRITICIZE THE HARSH SENTENCING DEALT OUT TO CUBAN HUMAN RIGHTS ACTIVISTS; AT THAT TIME, THE BRAZILIAN SENATE PASSED A PUBLIC RESOLUTION CRITICAL OF THE CUBAN GOVERNMENT'S CRACKDOWN ON THE DISSIDENTS.

13. (SBU) IN RECENT YEARS, BILATERAL TRADE BETWEEN CUBA AND BRAZIL HAS FLUCTUATED AROUND THE USD 100 MILLION LEVEL. BRAZIL'S PRINCIPAL EXPORT ITEMS TO CUBA ARE CHICKEN, SHOES, AND AGRICULTURAL MACHINERY. BRAZIL'S ANNUAL PURCHASES FROM CUBA HAVE HOVERED IN THE USD 10 MILLION RANGE, AND PRINCIPALLY CONSIST OF DRUGS AND VACCINES. ACCORDING TO PRESS SOURCES, A BRAZILIAN COMPANY "BUSSCAR" BASED IN SANTA CATARINA STATE IS ENGAGED IN A JOINT VENTURE IN CUBA WITH UNECAMOTO (THE CUBAN AUTOMOTIVE INDUSTRY), CO-PRODUCING BUSES FOR SALES IN CUBA AND CENTRAL AMERICA. ANOTHER ACTIVE JOINT VENTURE IS BRASCUBA, A TOBACCO PRODUCTION INITIATIVE OWNED BY THE CUBA TOBACCO UNION (UNION DE EMPRESAS DEL TABACO DE CUBA) AND SOUZA CRUZ DE BRASIL (A BRAZILIAN SUBSIDIARY OF THE BRITISH AMERICAN TOBACCO COMPANY.) IN ADDITION, CIMEX, S.A. (THE CUBAN GOVERNMENT'S IMPORT/EXPORT ARM) HAS, ALONG WITH SEVERAL BRAZILIAN FIRMS, FORMED A JOINT VENTURE - BRACIMEX - DESIGNED TO STIMULATE BILATERAL TRADE. FINALLY, THE BRAZILIAN STATE PETROLEUM COMPANY (PETROBRAS) HAS CONDUCTED OFF-AND-ON OIL EXPLORATION IN CUBA, AND IN JULY 2004 OPENED, INCONJUNCTION WITH CUPET (THE CUBAN PETROLEUM AGENCY) A LUBRICATING OIL PLAN IN CUBA.

14. (SBU) IN APRIL 2003, CUBAN FOREIGN TRADE MINISTER RAUL DE LA NUEZ AND GOB MINISTER OF DEVELOPMENT INDUSTRY, AND COMMERCE LUIZ FURLAN OPENED EXPOCUBA, A BILATERAL TRADE FAIR IN SAO PAULO. IN SEPTEMBER OF THE SAME YEAR, PRESIDENT LULA AND CASTRO PRESIDED OVER THE CLOSING OF A TRADE AND INVESTMENT SEMINAR IN HAVANA.

15. (SBU) BRAZIL'S NATIONAL DEVELOPMENT BANK (BNDES) HAS PROVIDED FINANCING FOR BRAZILIAN COMPANIES EXPORTING TO CUBA. ALTHOUGH PERIODICALLY THE PRESS TRUMPETS CUBA'S LINE OF CREDIT AS USD 200 TO 400 MILLION, IT APPEARS THAT MUCH OF THE FINANCING AVAILABLE GOES UNUSED.

CHICOLA